

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2019-185-E
DOCKET NO. 2019-186-E

In the Matter of:)	
)	
South Carolina Energy Freedom Act)	DUKE ENERGY CAROLINAS, LLC’S AND DUKE ENERGY PROGRESS, LLC’S MOTION FOR APPROVAL TO IMPLEMENT TEMPORARY VARIABLE CREDITS UNDER SCHEDULE PP
(H.3659) Proceeding to Establish Duke)	
Energy Carolinas, LLC’s and Duke Energy)	
Progress LLC’s Standard Offer Avoided)	
Cost Methodologies, Form Contract Power)	
Purchase Agreements, Commitment to Sell)	
Forms, and Any Other Terms or Conditions)	
Necessary (Includes Small Power Producers)	
as Defined in 16 United States Code 796, as)	
Amended) – S.C. Code Ann. Section 58-41-)	
20(A))	

Duke Energy Carolinas, LLC (“DEC”) and Duke Energy Progress, LLC (“DEP” and, together with DEC, the “Companies” or “Duke”), pursuant to S.C. Code Ann. Regs. 103-829(A) and other applicable rules of practice and procedure of the Public Service Commission of South Carolina (“Commission”), respectfully request that the Commission issue an Order allowing the Companies to pay qualifying facility (“QF”) Sellers¹ selling to the Companies under the recently-approved Schedule PP Variable Rate option (“Variable Rate Sellers”) for a temporary period based upon the Companies’ updated variable energy and capacity credits calculated using the previously-effective Schedule PP time-of-use rate structure (“Temporary Variable Credits”). The Companies request Commission approval to pay Temporary Variable Credits to Variable Rate Sellers

¹ Terms not otherwise defined in this Motion shall have the meaning set forth in the Companies’ respective Schedule PP tariffs, which were filed with the Commission on August 14, 2019, as Wheeler DEC Exhibit 1 and Wheeler DEP Exhibit 1, respectively.

until the Companies can install new metering and make necessary billing system updates to support billing under the recently-approved Schedule PP rate design.

I. BACKGROUND

On January 2, 2020, the Commission issued Order No. 2019-881(A), approving, in part, the rate design used to calculate the avoided energy and capacity credit rates for QFs selling output to the Companies under Schedule PP.² This rate design provides for more granular avoided energy and capacity pricing periods than those that were previously used by the Companies in the previously-effective Schedule PP. The updated Schedule PP rate design applies to QFs executing Standard Offer PPAs under Schedule PP, including existing and new Variable Rate Sellers under Schedule PP.

II. IMPLEMENTATION OF ORDER NO. 2019-881(A) AND REQUEST TO APPROVE TEMPORARY VARIABLE CREDITS

To implement the updated Schedule PP pricing periods, which were only known to be final upon approval by the Commission, the Companies must first perform work to their respective billing and metering data management systems and install the required metering in some cases. The need for this work makes it infeasible to transition all of the existing Variable Rate Sellers to the new rate design pricing periods immediately.

Based on these challenges, the Companies have developed the Temporary Variable Credits presented in Attachments A (DEC) and B (DEP), which are calculated consistent with the assumptions approved by the Commission for the Schedule PP rates, but reflect the time-of-use hours that have been available to the Variable Rate

² See Order No. 2019-881(A) at pp. 29-30. The Commission fully approved the avoided energy rate design and directed DEC and DEP to adjust certain aspects of the avoided capacity rate design, which has been done in developing the Temporary Variable Credits in accordance with the Order.

Sellers under the previously-effective Schedule PP. See Attachments A and B. These Temporary Variable Credits are designed to provide Variable Rate Sellers with the avoided energy and capacity value approved by the Commission under the less granular time-of-use hours and will serve to transition these customers to the more granular pricing periods approved in Order No. 2019-881(A) once the Companies' billing system updates and necessary metering are in place.³

WHEREFORE, the Companies respectfully request that the Commission approve the Companies' request to establish the Temporary Variable Credits presented in Attachments A and B to this Motion and to allow the Companies to bill all Variable Rate Sellers at these Temporary Rate Credits until the Companies can install new metering and make necessary billing system updates to support billing under the approved Schedule PP pricing periods, and to provide any further relief the Commission deems necessary and appropriate.

Respectfully submitted, this the 17th day of January 2020.



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³ Given that the effective date of the approved Schedule PP is November 30, 2018, the Companies will also use the Temporary Variable Credits to true-up credits for existing Variable Rate Sellers from the effective date of the tariff.

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